

FISCAL NOTE

SB 12

January 7, 2005

SUMMARY OF BILL: Amends T.C.A., Section 67-6-329, by exempting gun safes from sales and use tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$157,500


Decrease Local Govt. Revenues - \$50,625

Assumptions:

- There are 2,500 gun safes sold each year in Tennessee.
- The average price of a gun safe is \$900.
- Total gun safe sales in Tennessee are \$2,250,000.
- Decrease in state revenue equals $\$2,250,000 \times 7\% = \$157,500$.
- Decrease in local revenue equals $\$2,250,000 \times 2.25\% = \$50,625$.
- Exemption should not result in a measurable increase in gun safe sales, but may lead to the purchase of a higher quality safe.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director